

EXHIBIT 1

EXHIBIT 1

Varaluz LLC
Balance Sheet
YTD June 2024

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
10100 - Checking - Operations	\$14,387.71
Total Bank	\$14,387.71
Accounts Receivable	
11000 - Accounts Receivable - Trade	\$780,260.94
Total Accounts Receivable	\$780,260.94
Other Current Asset	
11010 - Undeposited Funds	\$7,098.17
11020 - Allowance for Doubtful Accounts	(\$27,488.02)
12000 - Inventory	\$1,008,385.20
12040 - In Transit Inventory	\$56,286.01
12050 - Prepaid Inventory	\$26,784.44
Total Other Current Asset	\$1,071,065.80
Total Current Assets	\$1,865,714.45
Fixed Assets	
14400 - Depreciable Assets, Plant Machinery & Equipment	\$587,093.00
15010 - Accumulated Depreciation 2	(\$308,373.00)
Total Fixed Assets	\$278,720.00
Other Assets	
19000 - Deposits	\$17,932.47
Total Other Assets	\$17,932.47
Total ASSETS	\$2,162,366.92
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
21000 - Accounts Payable - Trade	\$1,604,247.71
Total Accounts Payable	\$1,604,247.71
Credit Card	
25550 - AMEX Black Corporate	\$2,109.21
25560 - AMEX SKYMILES RESERVE PURPLE	\$29,551.62
25570 - MASTERCARD APPLE	\$25,605.26
Total Credit Card	\$57,266.09
Other Current Liability	
22025 - Goods Purchased & In Transit	(\$80.00)
23200 - Refunds Payable	(\$1,486.90)

23400 - Customer Deposits	\$335,074.59
23500 - Warranty Payable	\$33,844.71
28000 - Unpaid or Omitted Wages	\$52,500.00
Accrued Purchases	\$44,911.74
Total Other Current Liability	\$464,764.14
Total Current Liabilities	\$2,126,277.94
Long Term Liabilities	
26450 - Alliance Capital	\$5,375.00
26550 - Partner Loan LFRWB	\$68,749.76
26600 - Partner Loan RFH	\$669,073.47
26650 - Partner Loan KHH	\$25,000.00
26700 - American Express/Kabbage Loan	\$115,819.12
26850 - Meged Funding Group Loan	\$23,840.80
26900 - Kalamata (bought 660K)	(\$544.50)
26910 - Delta Bridge Funding (bought 182,375)	\$13,800.81
26960 - Square Advance Loan	\$73,457.27
Total Long Term Liabilities	\$994,571.73
Equity	
3200 - Opening Balance	(\$148,136.82)
3201 - Opening Balance AR	\$505,439.63
3202 - Opening Balance AP	(\$413,680.48)
33000 - Paid in Capital	\$1,112,892.00
Retained Earnings	(\$1,750,489.45)
Net Income	(\$337,970.42)
Total Equity	(\$1,031,945.54)
Total Liabilities & Equity	\$2,088,904.13

Varaluz LLC
Income Statement
YTD June 2024

Financial Row	Amount
Ordinary Income/Expense	
Income	
40000 - Sales	\$2,244,252.05
40100 - Shipping and Handling	\$44,044.67
40200 - Rental Income	\$2,500.00
49100 - Restocking Fee	\$7,265.13
Total - Income	\$2,298,061.85
Cost Of Sales	
50000 - Cost of Goods Sold	\$557,732.16
50500 - Production & Packaging Materials	\$13,712.13
51000 - Freight Expenses - Inbound	\$63,047.09
51500 - Scrap & Inv Adjustments	\$14,867.32
54100 - Workman's Compensation	\$1,398.00
54700 - Supplies	\$48.59
Total - Cost Of Sales	\$650,805.29
Gross Profit	\$1,647,256.56
Expense	
60000 - Salaries and Wages	
61000 - Wages	\$343,681.30
61100 - Taxes	\$125,169.26
Total - 60000 - Salaries and Wages	\$468,850.56
62000 - Temporary Labor	\$3,611.27
64000 - Employer Paid Benefits	
64020 - 401K Retirement Matching	\$36,408.56
Total - 64000 - Employer Paid Benefits	\$36,408.56
64100 - Employer Deducted Benefits	
64110 - Employer Deducted Insurances (Principal, UHC)	\$9,004.88
Total - 64100 - Employer Deducted Benefits	\$9,004.88
65400 - Vehicle	\$4,661.75
65500 - Information Technology & Software	\$44,768.19
66100 - Electric & Other Utilities	\$6,117.21
66200 - Gas	\$213.99
66300 - Telephone/Internet/Cable	\$14,092.55
67000 - Freight Expenses - Outbound	\$191,318.04
68000 - Insurance	\$30,936.27

69000 - Building Rent	\$147,216.89
71000 - Dues & Memberships	\$300.00
71100 - Repairs and Maintenance	\$1,262.16
71300 - Bad Debt Expenses	\$18,789.78
71400 - Bank & Credit Card Fees	
71400 - Bank & Credit Card Fees	\$11,844.30
71410 - Merchant Processing	\$43,654.56
71420 - Shopify Fees	\$8.22
Total - 71400 - Bank & Credit Card Fees	\$55,507.08
71500 - Debt Interest & Fees	\$68,115.11
72000 - Travel and Entertainment	
72000 - Travel and Entertainment	\$3,908.92
72100 - Meals	\$495.86
72200 - Travel	\$24,238.75
Total - 72000 - Travel and Entertainment	\$28,643.53
73100 - Professional Services	
73100 - Professional Services	\$152,118.64
73105 - License Fees	\$30,453.11
73110 - Design Royalties	\$8,655.28
Total - 73100 - Professional Services	\$191,227.03
73400 - Sales & Marketing	
73400 - Sales & Marketing	\$1,759.31
73402 - Layout and Design	\$4,500.00
73404 - Advertising Expense	\$31,103.25
73406 - Catalog/Mktng Materials Printing	\$2,338.99
73410 - Market Discounts/Display Deals/Buyouts	\$105,424.53
73412 - Dues & Subscriptions	\$390.00
73416 - Other Discounts	\$2,819.24
73418 - Photography	\$5,609.74
73420 - Show Expenses	\$278,053.89
73422 - Showroom Special Programs/Promos	\$14,074.89
73424 - Ecom Support & Web Site Charges	\$27,206.39
73426 - Sales and Marketing Other	\$2,487.17
73428 - Event Discount	\$4,110.48
73430 - Defective Allowance	\$408.84
73432 - Co-op Allowance	\$732.45
73436 - Marketing Allowance	\$4,004.24
73438 - Program Discount	\$809.92
73444 - Ecom Growth and Volume Rebates	\$2,110.15
73446 - SR Buying Group Costs and Rebates	\$34,644.07
73448 - SWAG/Premiums	\$506.95

Total - 73400 - Sales & Marketing	\$523,094.50
73408 - Commissions	\$86,666.74
73439 - Early Payment Discounts	\$2,342.89
73454 - Charitable Donations & Gifts	\$984.62
73456 - Price Matching Discounts	\$187.05
73458 - A/R Discounts	\$956.31
73460 - Conference & Seminars	\$87.72
73464 - Health and Wellness	\$15,155.01
73500 - Research and Development	\$2,496.39
77100 - Other Expenses	(\$30.00)
77150 - Mistake Costs	(\$10,598.45)
77200 - Other Income	(\$0.03)
78300 - Taxes and Licenses	\$5,555.47
Total - Expense	\$1,947,943.07
Net Ordinary Income	(\$300,686.51)
Other Income and Expenses	
Other Expense	
64010 - Employer Deducted Benefits (UHC)	\$57,820.18
Total - Other Expense	\$57,820.18
Net Other Income	(\$57,820.18)
Net Income	(\$358,506.69)

Varaluz LLC
Cash Flow Statement
YTD June 2024

Financial Row	Amount
Operating Activities	
Net Income	(\$358,506.69)
Adjustments to Net Income	
Accounts Receivable	(\$559,516.21)
Other Current Asset	\$355,702.63
Accounts Payable	\$128,696.13
Other Current Liabilities	\$277,950.51
Total Adjustments to Net Income	\$202,833.06
Total Operating Activities	(\$155,673.63)
Financing Activities	
Long Term Liabilities	\$99,499.92
Total Financing Activities	\$99,499.92
Net Change in Cash for Period	(\$56,173.71)
Cash at Beginning of Period	\$58,405.47
Cash at End of Period	\$2,231.76